



New Century Procurement Manual Topic

Category : Procurement Manual
Manual Section : 2.00
Section Title : Procurement Authority and Delegations (Draft)

on 11/10/1999 at 05:43 PM

Comments:

3/17/00 Font Change Only.

Procurement Authority

With respect to Code-governed procurements, the Executive Director of the Department of Personnel has the authority to procure or supervise the procurement and disposal of all supplies, services, and construction needed by the State. The Procurement Code does not apply to:

- Procurement of bridge and highway construction by CDOT;
- Awarding of either grants or contracts between the State and its political subdivisions or other governments;
- Procurement of professional services governed by CRS 24-30-1401, et. seq.;
- Procurement of items acquired for resale;
- Contracts by the judicial and legislative branches of government;
- Contracts by elected officials (CRS 24-101-301(10), definition of "governmental body") (CRS 24-101-105).

Construction

Not all construction bidding is governed by the Procurement Code. CRS 24-92-101, et. seq., is a statute of general applicability to construction bidding by State agencies and institutions. The Procurement Code, however, through its definition of "contract" (that includes construction) makes its bidding and competition requirements applicable to construction by Code-governed agencies. The practical effect of statute: it governs construction bidding by State entities not subject to the Procurement Code, e.g. Department of Transportation in bridge and highway construction, as well as construction contracts by the judicial branch, legislative branch, and elected officials.

In construction, the principal representative (head of an agency or institution of higher education) has the authority to procure consulting services (e.g. architect/engineer services) and construction. The Executive Director of the Department of Personnel retains oversight responsibility over capital construction and controlled maintenance, except with respect to bridge and highway construction by CDOT and construction by the Division of Parks and Outdoor Recreation and Division of Wildlife in the Department of Natural Resources.

Delegation of Procurement Authority

The Procurement Code encourages delegation of authority. The Executive Director may delegate purchasing authority to individual designees in any department or institution, or to any department, agency, or official. Individual delegations of this nature are classified as either Group I (limited) or Group II (unrestricted) delegations. The criteria for approving the delegations differ between the two types of delegations.

Requesting Delegation

Delegations may be initiated by the State Purchasing Office or by request of the agency or institutions. Delegation agreements are executed in writing by the head of the agency or institution and the Executive Director of the Department of Personnel. The agency must provide on request sufficient information to establish satisfaction of the criteria in the Procurement Rules, including the following:

- The agency/institution's organization chart, showing reporting lines and where the procurement unit will organizationally be located;
- An education/training/experience assessment (or equivalent) of the agency/institution's purchasing staff;
- The agency/institution's policies governing use of commitment vouchers and authority of personnel to commit funds; and
- The agency/institution's proposed intra-agency procurement delegation process.

Group I Delegations

Minimum Criteria for Delegation

Minimum criteria to receive a Group I delegation (R-24-1-2-204-02) include:

1. successful completion by responsible staff of training by the State Purchasing Office;
2. use of the Bid Information and Distribution System (BIDS); and
3. execution of a signed delegation agreement.

Group I Authority

Agencies with Group I authority have the authority to:

1. procure services up to the small purchase ceiling of \$25,000
2. procure supplies up to \$5,000 without use of documented quotes or formal competition
3. procure supplies up to \$25,000 using documented quotes
4. procure supplies and services from State price agreements in accordance with the terms of the price agreement

These limits require a Group I agency to procure supplies and services over \$25,000 through the State Purchasing Office, except where those supplies and services are ordered pursuant to a State price agreement. Group I agencies typically prepare and publish invitations for bids with the approval of the State Purchasing Office.

Group II Delegations

Minimum Criteria for Delegation

Minimum criteria to receive a Group II delegation include:

1. demonstrated need for increased delegation based on the volume of purchasing activity;
2. demonstrated existing staff competency in State purchasing;
3. an automated purchasing system;
4. use of the Bid Information and Distribution System (BIDS); and
5. execution of a signed delegation agreement.

Group II Authority

Agencies with Group II authority have the authority to:

1. procure services without documented quotes or formal competition up to the small purchases ceiling of \$25,000;
2. procure supplies up to \$5,000 without the use of documented quotes or formal competition;
3. procure supplies up to \$25,000 using documented quotes;
4. procure supplies and services in excess of \$25,000 using invitation for bids, requests for proposals, State price agreements, or other procurement methods authorized by the Code.

Changes to Named Delegations

Group I delegations are personal to the delegates. That is, when delegated employees leave an agency or institution, the agency or institution must request a replacement in writing after completion of training by the employee nominated for the delegation. Group II delegations are to the agency or institution, and subdelegations of procurement authority need not be approved by the State Purchasing Office.

Commitment Authority Distinguished from Procurement Authority

As was discussed in chapter 1, the authority to procure supplies and services in Colorado is based on the requirements of two statutes. This discussion has covered procurement authority arising from the Procurement Code. The Controller's Statute (CRS 24-30-202) also discusses expenditure authority and vests it in the heads of departments and institutions of higher education.

Of course, in delegations to named individuals, which are initiated by heads of departments and institutions, practically these delegation agreements give the purchasing agent authority to issue purchase orders consistent with their authority. Group II agencies, on the other hand, do not have named individuals in their purchasing delegations. Consequently, Group II agencies must clearly establish the authority of purchasing agents in their agencies through a process of subdelegation. Similarly, when State contracts are used, the State Controller's rules require that a written delegation of authority be on file to establish the signatories authority to bind the agency or institution contractually.

In micropurchases (less than \$3,000 and not requiring either a purchase order or contract), authority is an issue as well. Although the Fiscal Rules do not require use of a purchase order or contract for those purchases, the head of a department or institution controls whether the person making the commitment has the authority to commit the funds. The approaches among agencies and institutions vary: most restrict micropurchase authority to named individuals, and many further limit the amount of commitment authority to amounts less than the \$3,000 permitted by the Fiscal Rules. Agencies are encouraged to supplement this Section with their own implementing instructions.